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FOREIGN SERVICE DESPATCH

Action Assigned to

FROM : AMEMBASSY GUATEMALA — 823 DESP. NO. — Action Taken

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 19, 1953 DATE

REF : F790004-1308 — Date of Action MAR 20 1953

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Action Office Symbol IAP

Name of Officer

SUBJECT: WEEKA No. 12 - Section I.

DECLASSIFICATION DATE 11-30-78
PER C. Chambers — OFFICE ARA
FADRC FOI CASE NO. 74-0332

SUMMARY

As the Communist-inspired tributes to Stalin ended and speculation regarding the significance of his death ebbed, local attention again focused on agrarian reform which had been briefly pushed into the background by the dramatic events abroad. In a move to check illegal seizures of land by farm laborers, Major Alfonso MARTINEZ, Chief of the National Agrarian Department (DAN), announced the formation of groups of vigilantes to see that the procedures of the Agrarian Law were complied with and said he would resign if order were not restored in the countryside by the end of this month. A threatened conflict with the Communist-oriented National Farm Labor Confederation, CNCG, was at least temporarily avoided when Sr. Leonardo CASTILLO Flores, the Secretary General of the CNCG, agreed to cooperate with Major Martínez' vigilantes after a conference with President ARBENZ and heads of the DAN. Meanwhile, the first major expropriation of American-owned property appeared imminent when the Guatemalan Supreme Court on March 19 notified the United Fruit Company that it had rejected the Company's appeal for an injunction against the President's ruling confirming the condemnation of 233,978 acres of the Company's land at Tiquisate on the Pacific slope.

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AGRARIAN REFORM

Showing an awareness of the dangers to domestic order posed by the action of farm laborers in seizing land without waiting for the action of the agrarian reform authorities, Major Alfonso Martínez, Chief of the DAN, in a strong statement to the local press on March 13 declared he would not permit the continuance of a situation which discredited himself and the President of the Republic. With an angry gesture he told reporters that the Government did not wish the agrarian reform to be carried out in an anarchic manner and said he had named committees of vigilantes composed of responsible persons with full authority to investigate reported disorders and enforce adherence to the provisions of the Agrarian Reform Law. If order were not restored within a month, he said, he would resign his position.

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Major Martínez' action quickly drew the fire of the heads of the Communist-influenced farm workers confederation CNCG, who apparently interpreted his remarks as directed at them. Unnamed CNCG leaders reportedly said their unions would not recognize the committees of vigilantes and placed blame for rural unrest on the slowness of the agrarian authorities in parcelling out the land. A possible conflict was avoided at least for a time when President Arbenz, showing the importance he attaches to retaining the support of the labor leaders, called a meeting on March 18 and worked out a compromise between Major Martínez and his advisers on one hand, and the heads of the CNCG and representatives of the labor confederation CGTG on the other. Major Martínez promised to speed the division of the National Farms which have been turned over to the DAN and to send out "topographical brigades" to fix the boundaries of the parcels on 80 private farms which have been denounced. Sr. Castillo Flores of the CNCG on his part agreed to give the full assistance of his organization to the Vigilance Committees in view of assurances that they would be carefully chosen. But he warned that the CNCG would denounce any mistakes the committees might make.

On other fronts the agrarian reform program moved forward: Congress made public the project for a National Agrarian Bank to provide credit facilities for the beneficiaries of agrarian reform and other small farmers which the Executive submitted in February (Weeka No. 8, Section II); the Committee charged with liquidating the National Farms, now headed by Sr. Alfonso BAUER Paiz, announced that 73 farms were available for division among the workers; and Sr. Máximo GODINEZ, Chief of the Department of Soil Conservation in the Ministry of Agriculture said his department was offering "all the technical assitance possible" to farmers who had received land under agrarian reform. Major Martínez admitted, however, that 600 applications for expropriation were still awaiting action in his office.

Meanwhile, the way seemed open for the Guatemalan authorities to expropriate the major portion of the United Fruit Company's Tiquisate plantation when the Supreme Court rejected the Company's request for an injunction against carrying out the expropriation. The Court held that due process of law had been followed since the Company had been allowed to defend itself before the Agrarian Reform authorities, that the President had acted within his legal authority in ordering the expropriation and that the Agrarian Law prohibits the Court from issuing injunctions in cases arising under it. The Court's decision did not take up the question of compensation which comprised an important part of the Company's petition.

If the ruling of the agrarian authorities is carried out, the Fruit Company will lose 233,978 acres and retain title to

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61,752, of which 19,000 are under study to determine their status under the Agrarian Reform Law. The officials of the Company here consider that no further local recourses are available in fighting this case.

International Relations

Completion of a further step in preparing for the May 2 meeting of Central American Foreign Ministers under the Organization of Central American states (ODECA) was announced on March 18 by Foreign Minister Raúl OSEGUEDA who informed the press that the Guatemalan draft of the agenda had been completed. Details were not released but the proposed agenda is apparently extensive since, according to Dr. Osegueda, it contains a review of Central American treaties still in force but never carried out, as well as current topics suggested for discussion by various local entities, The specter of the Salvadoran anti-Communist resolution refused to be laid, however. During the week the Nicaraguan Ambassador in Guatemala, Sr. Aurelio MONTENEGRO, announced that his Government would unswervingly support the Salvadoran proposal which, he said, was not only feasible but was of urgent importance for Central America.

Military

In an address on March 14 in connection with the annual ceremony of renewing his oath of loyalty to Congress, Colonel Carlos Enrique DIAZ, Chief of the Armed Forces, stressed that the Army was non-political and that it would support the duly constituted authorities of the country. Repudiating a concept widely held in Latin America, he said the Army was not a "Fourth Power", the supreme arbiter over the constitutional organs of the State, but was subordinate to them. He described as wishful thinking the desires of certain groups to use the military to overthrow the Government, and he said that groups inclined towards dictatorial programs must realize that the Revolution is on the march and that in its vanguard marches an Army which watches over and protects it.

Whatever Colonel Díaz' personal opinions may be his speech was not calculated to give comfort to opponents of the Arbenz Administration.

William L. Krieg
Chargé d'Affaires a.i.

Contributor: Colonel A. E. McCormick

cc: C. A. Missions, etc.

RWR